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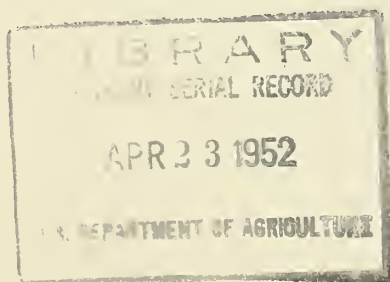


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MARCH 1952

# MARKETING ACTIVITIES



U.S. DEPARTMENT OF AGRICULTURE  
Production and Marketing Administration  
Washington 25, D.C.

PASTEURIZATION OF LIQUID WHOLE EGG

By Dr. Harry E. Goresline . . . . . Page 3

A method of pasteurizing liquid whole egg to improve keeping quality and eliminate Salmonella bacteria has been sought for a long time. Dr. Goresline, PMA Poultry Branch, directed the group which finally found the right temperature and heat holding time.

NAMO SPELLS "COOPERATION"

By Miles A. Nelson . . . . . Page 7

The National Association of Marketing Officials, over the past thirty-odd years, has furnished the background for cooperative solution of mutual marketing problems of many States. On the eve of the annual meeting of NAMO's Atlantic States Division, a word from the president.

SCHOOL LUNCH--THE HARD WAY . . . . . Page 10

A good teacher in a one-room school surmounts the impossible to get a good noon-time meal for her pupils.

ORDERLY MARKETING FEATURES 1951-52 COTTON SEASON

By John H. Dean . . . . . Page 12

When crops are above average, prices generally are unfavorable. This year's cotton crop, so far, has been an exception to that rule. Mr. Dean, Deputy Assistant Administrator for Commodity Operations, PMA, tells how orderly marketing made the difference.

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MARKETING ACTIVITIES

Vol. 15

No. 3

Address all inquiries  
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Agriculture,  
Washington 25, D. C.

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A monthly publication of the Production and Marketing Administration of the United States Department of Agriculture, Washington, D. C. The printing of this publication has been approved by the Director of the Bureau of the Budget (March 28, 1950). Copies may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at a subscription price of \$1.75 a year (domestic), \$2.25 a year (foreign), payable by check or money order. Single copies are 15 cents each.

# Pasteurization of Liquid Whole Egg

By Dr. Harry E. Goresline

The old adage about "an ounce of prevention . . ." applies to much of the Department of Agriculture's research on processed foods and especially so with respect to those produced from highly perishable raw products.

In this connection, both Government and industry research specialists have been working toward the development of a practical method of pasteurizing liquid eggs which are to be frozen or dried. The purpose was to increase the keeping quality by killing bacteria and to eliminate all Salmonella type of bacteria. Moreover, the treatment should not affect the commercial usefulness of the egg product.

Such an egg pasteurization process was developed by the Poultry Branch, Production and Marketing Administration, USDA, with the cooperation of commercial egg drying plants, and under authority of the Research and Marketing Act of 1946. It can be used under ordinary plant conditions by adapting the type of equipment normally used for pasteurization of milk, with little or no change in the set-up.

The presence of Salmonella bacteria in egg products has caused some concern to public health agencies, although records show little evidence of food poisoning attributable to commercial egg products. The remote possibility of Salmonella's causing food poisoning, however, pointed up the necessity for developing a method of keeping these bacteria out of egg products or eliminating them once they had gained entrance.

## Reasons for Pasteurization

Prior studies had shown that naturally clean eggs were relatively free of these bacteria and that dirty or low quality eggs had a higher incidence. Washing the shell of dirty eggs did not eliminate the contamination since the bacteria in infected eggs were inside the shell.

Since it is economically impracticable to produce frozen and dried eggs from only naturally clean shell eggs, and because there is no known way to segregate shell eggs on the basis of Salmonella content, it was decided that the most logical approach to the problem of eliminating the bacteria was through pasteurization of liquid egg. The study was confined to this problem. To determine whether successful pasteurization could be accomplished, the research was carried out in commercial egg processing plants by adapting available equipment to the requirements of the problem.



Pasteurization to reduce bacterial numbers and to improve keeping qualities of egg products is not new. It was first practiced commercially as early as 1938 in a process which involved bringing vats of liquid egg to pasteurization temperatures by means of rotating coils filled with hot water. Later, continuous flash heating was employed in the commercial production of low moisture content (2 percent) dried whole egg. Although this flash pasteurization of liquid whole egg has been shown to be a feasible operation, such treatment does not always render a product sterile. In fact, unless such flash heating is conducted at temperatures above 135 degrees Fahrenheit enormous bacterial populations may be built up during several hours of operation. While complete pasteurization is accomplished at higher temperatures there is the problem of the egg coating the plates, tubes, and pump valves of the equipment, necessitating frequent shut-downs for cleaning. The problem was to discover the correct time and the temperature required for heating liquid egg to insure a complete kill of the Salmonella bacteria, without adversely affecting the commercial usefulness of the resultant egg product.

### Pasteurization in Shell Impractical

Prior to the liquid egg pasteurization study, an effort was made to determine if Salmonella present in shell eggs could be killed through water or oil pasteurization. In every case, it was found impossible to kill the bacteria and still have a marketable product. When the egg albumen remained clear, Salmonella survived. When complete killing was obtained, the albumen was opaque and jelled.

To determine if Salmonella could be eliminated from liquid, frozen, and dried whole-egg products through pasteurization with commercial equipment and under commercial operating conditions, the research was carried out in three different plants. This was necessary to obtain the use of different types of pasteurizing and holding equipment.

The first tests were made in an egg drying plant having a plate type pasteurizer with thermostatic controls and a re-drier for the egg powder. Checks were made of samples of the raw liquid egg before it entered the heater, the pasteurized material after passing through the heater, and the final egg powder. Pasteurization runs were made at temperatures ranging from 130 to 147 degrees Fahrenheit. It was found that from a practical operating standpoint, 140 degrees was the best temperature to use, as above this the equipment became coated, necessitating occasional shut-downs for cleaning, and it was difficult to maintain good plant operation.

### Longer Heating Required

Total bacterial counts were markedly lowered in these tests, even though the exposure to killing temperatures was short. However, the results showed that the heating of the liquid egg had not been carried out long enough to eliminate Salmonella.

Therefore, other series of experiments, were carried out using different temperatures and holding times. It was found that pasteurization

at 140 degrees, followed by a 30 second holding period did not render liquid whole egg free of Salmonella. In another plant equipped with a plate type heater and a water jacketed holding device, runs were made using a holding period of 2 minutes. Several tests were run off on this equipment. It was concluded from these tests that while Salmonella contamination was markedly reduced by the heating and holding, it was not eliminated in all cases, and that a somewhat longer holding period was needed to insure a Salmonella-free product.

To obtain a longer holding period, research was shifted to a third commercial plant. The equipment used there consisted of two plate pasteurizers and banks of sanitary piping which could be connected in various lengths to obtain any desired period of holding. Because of the large temperature differences necessary to heat the liquid egg in this equipment, the water in the flash heater could not be used to heat the holding equipment, since it would have jumped the egg temperature there about 5 degrees. Therefore, the exposed holding tubes were covered with a heavy tarpaulin to conserve heat and eliminate drafts, and under this arrangement the temperature drop in the liquid egg was only about 1 degree during a 3-minute holding period.

#### Pasteurization Accomplished

Pasteurization tests run with this equipment showed that during 150 hours of continuous plant operation, using a flash pasteurization at 140 degrees Fahrenheit with a holding time of 3 minutes, no Salmonella types of bacteria were found to survive.

An attempt to use a higher temperature for a shorter period of time was tried using a flash pasteurization at 142 degrees Fahrenheit with a holding time of 2 minutes. It was found that although all samples were negative for Salmonella, there was a very small safety factor, as colonies of coliform and paracolon types of bacteria were more prevalent than when the 3 minute holding period was used.

#### Product Suitable for Commercial Use

Samples of raw liquid and pasteurized liquid egg resulting from the experiments were frozen and forwarded to the Western Regional Laboratory of the Bureau of Agricultural and Industrial Chemistry, USDA, and to Iowa State College for functional studies. Results of baking studies made by these laboratories indicated that the pasteurized eggs were suitable for many, if not all, commercial uses for which unpasteurized eggs are used.

On the basis of all of the foregoing tests, it was concluded that a holding period of three minutes following flash pasteurization to 140 degrees Fahrenheit was satisfactory for the elimination of Salmonella types of bacteria from liquid whole egg, and that this holding period appears to provide a margin of safety in operation.

It must be emphasized, however, that the pasteurization method developed cannot be expected to bring about satisfactory results unless certain absolutely essential requirements are met in its operation. These are:



1. Educational program.--Plant personnel must have a thorough understanding of the purpose of pasteurization and the necessity of maintaining a specific temperature. Both management and personnel should understand that pasteurization cannot take the place of good raw material or good sanitary practices; that at low temperatures the equipment can become a bacterial incubator, and a temperature of 140 degrees must be maintained constantly to assure that the bacteria are killed. It also is essential that personnel realize that the rate of flow of liquid eggs governs the holding time and any changes in pump speed or valve openings defeats the purpose of pasteurization as surely as changes in temperature.

2. Accurate temperature-control equipment.--Equipment which cannot hold temperature adjustments, or which must be adjusted manually from time to time, makes continuous pasteurization impossible.

3. Continuous temperature-recording devices.--Since the purpose of pasteurization is to kill any Salmonella present, a complete record of temperature, for every period of plant operation, should be kept to insure that the purpose is accomplished. Operators knowing that a record of their work is being kept are more likely to see that proper temperature and plant efficiency are maintained.

4. Segregation of unpasteurized products.--To be effective, there must be assurance that all liquid egg passing through such a process has been properly pasteurized. Liquid egg passing through the equipment before the proper pasteurizing temperature has been reached, or at any time when the temperature is not being maintained, should be bypassed back to the original holding vat so that it can be properly treated. Unless this is done there is danger of the unpasteurized product passing through the entire processing system and being introduced into properly pasteurized material. The best and surest way of accomplishing such uniform operation is through the use of an automatic flow-division valve. This piece of equipment allows liquid to flow into the production line only when a specific temperature is reached and maintained. Should the temperature suddenly drop during the run, this valve automatically diverts the flow away from the production line, and remains in the "off" position until the temperature returns to normal. This device is used throughout the milk industry for controlling pasteurization.

5. Establishment of a systematic operating schedule.--Written instructions should be posted for each phase of plant work. Personnel coming on duty should know the objectives for the day and how they are to be obtained. They cannot be expected to use initiative in maintaining operating schedules unless they understand what is expected. Written reports of work performed in each department of the plant will not only keep management abreast of plant operations, but will alert employees to the accuracy of each operation and record.

The equipment, maintenance, and operation of a system to produce a Salmonella-free product necessitates extra plant expense, and if the purpose for which the treatment is carried out is not accomplished, the extra expense is wasted. With proper equipment and full understanding of the problem by both management and operating personnel, the production of Salmonella-free whole-egg products can be made a practical commercial-plant operation.



The annual meeting of the Atlantic States Division of The National Association of Marketing Officials will be held at the United States Department of Agriculture in Washington, D. C. April 23-24, this year. As in the past, a summary of the meeting will be featured in a subsequent issue of **MARKETING ACTIVITIES**. Now, on the eve of this year's meeting, is a good time to review the purpose as well as the scope of operation of NAMO.

# NAMO Spells "Cooperation"

By Miles A. Nelson

Annual reports of the National Association of Marketing Officials show that marketing problems always exist, even though their nature and intensity change. The reports also show that NAMO, as the Association is called, has done much over the years to improve the marketing system generally.

The National Association of Marketing Officials had its beginning in 1920, when a small group of men, representing about a dozen north-eastern and midwestern States, met in New York City to work out a coordinated approach to mutual marketing problems. At the time NAMO was organized, State marketing agencies were infants, so to speak, and marketing work in the U. S. Department of Agriculture was just getting under way.

In 1920, as today, most of the work of State marketing agencies had to do with the intrastate distribution of farm products. But, to an increasing extent, interstate marketing problems--which were more or less similar as between States--were pressing for solution. The development of Nationwide distribution of farm commodities produced in specialized areas, for example, accentuated the need for such services as uniform standards for grade; an effective system of grading and inspection; and market news. Nationwide distribution also highlighted the desirability of additional Federal regulatory legislation, a closer look at the adequacy of marketing facilities, and the initiation of a broad program of marketing research. Problems of such magnitude obviously required joint action by many agencies and groups.

Cooperation was spelled out clearly in the constitution of NAMO, which described the purpose of the organization as follows: "To establish a unified program for the study and improvement of marketing as it relates to agricultural products and to coordinate the work of the market departments or bureaus in the several states, the United States Department of Agriculture, the Extension Services of the various agricultural colleges, and the research work in marketing carried on by the colleges and by other agencies."

This statement of purpose, which recognizes the fact that a number of agencies and groups are active in the marketing field, helps to explain the two types of membership available in the association--executive and associate. The executive membership consists of the head of marketing work in each State, (and each of the 48 States now has an executive member.) The associate membership is open to any person "whose work or interest brings such a person into contact with marketing problems."

What has NAMO accomplished in the past 32 years?

Progress in marketing has been tremendous since 1920, the attack on the most serious problems coming from many directions. The U. S. Department of Agriculture has assisted. So have individual State Departments of agriculture, State marketing agencies, the agricultural colleges, and the experiment stations. The same can be said of trade associations, farm organizations, farmer cooperatives, transportation agencies, and similar groups. The National Association of Marketing Officials has cooperated fully with these agencies and groups.

NAMO has given real meaning to the word "cooperation" by supporting the development of Federal-State cooperative agreements. Today, there are more than 400 of these agreements in effect between State agencies and the U. S. Department of Agriculture. Most of the agreements apply to the grading and inspection of farm commodities and the collection and issuance of market news reports; but some of the agreements cover seed testing and marketing research.

#### NAMO Has Accomplished Much

Over the years the members of this organization have worked with all segments of the trades and the industries which handle agricultural products in order that they may have a better understanding of grades and standards and of the reasons for and operation of regulatory acts. They have helped to develop a market news service of ever increasing usefulness and have worked with U. S. Department of Agriculture marketing officials to bring about the present high degree of uniformity between Federal and State grades and regulations.

As early as 1922, recommendations of NAMO's Standardization Committee included the following, among others:

"When the federal bureau has recommended grades for any product, each State department, wherever it is at all possible, should adopt the grades and enforce them within the state.

"We recommend that the various state departments use every possible effort to educate the consuming public to buy graded products put up in standardized containers.

"We recommend the extension of the shipping point inspection service in the various states. . ."

Today, uniform standards for grade have wide use throughout the United States. Today, many States are carrying on extremely effective programs to stimulate consumers' use of graded products. Today, an enormous volume of farm products is inspected at shipping points--the volume of fresh fruits and vegetables alone totaling almost 817,000 carlots in the fiscal year 1951.

NAMO has taken a very active interest in Federal marketing legislation, on the ground that such interest is highly proper and necessary. On numerous occasions, the association has strongly supported proposed legislation, such as the Research and Marketing Act of 1946. On the other hand, it has vigorously opposed certain legislative proposals for one reason or another. In appraising marketing legislation, however, the NAMO has been strictly non-partisan. Its support of or opposition to legislation has been based on the probable effect of the legislation on efficient distribution of farm products rather than political advantage.

### Forums and Idea Exchanges

NAMO, in its "division" and annual meetings, operates as a forum for the interchange of information on new marketing operations and techniques. These meetings, from the standpoint of what has been called "professional improvement," are invaluable. Very often, a marketing program developed in one State can be adopted for use in other States. Or, if experience shows that a certain line of action is unproductive of results, information on the subject is useful to the full membership.

This swapping of ideas has been given impetus through a new "Quarterly Bulletin of the National Association of Marketing Officials." The first issue, distributed to members in November 1951, outlined the organization and responsibilities of the various State agencies working in the field of marketing. Subsequent issues will be devoted to current programs being carried on within the States and a discussion of the problems encountered. It is hoped that the Bulletin will provide a medium for the frequent interchange of information and ideas heretofore possible only through meetings or correspondence.

The National Association of Marketing Officials is, today, a more vigorous organization than at any other time in its history. It will stay vigorous in the years that lie ahead. The many obstacles that still hamper the efficient distribution of farm products will not permit, in the foreseeable future, any slackening of effort.

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### CHRYSANTHEMUMS HIDE TOMATO AND TOBACCO DISEASE

Chrysanthemums, without showing symptoms, can be hosts to a plant disease virus extremely dangerous to tomato and tobacco plants when carried by the common green peach aphid. Further information on this discovery by USDA scientists is available from the Department's Plant Industry Station at Beltsville, Maryland.



# School Lunch--The Hard Way

A school lunch program doesn't "just happen," even under the most favorable of circumstances. At the Middle Fork School, a determined teacher and a warm-hearted community had to overcome some seemingly impossible handicaps in providing good noontime meals for the youngsters. MARKETING ACTIVITIES has been given special permission to print the following letter.

State of West Virginia  
Department of Education  
Charleston 5

Martha Bonar  
State Supervisor  
School Lunch

W. W. Trent  
State Superintendent

Mr. Leonard R. Trainer, Director  
Food Distribution Branch  
Production and Marketing Administration  
U. S. Department of Agriculture  
Washington 25, D. C.

Dear Mr. Trainer:

Determination, hard work, and community cooperation can make a school lunch operation "go", even though the obstacles appear insurmountable. This has been demonstrated at the Middle Fork School (one room, 20 pupils) in Kanawha County, West Virginia.

I should point out, first of all, that the Middle Fork School is located in one of the sections of the State where the coal mines have played out. The few remaining families in the area, most of them having very small incomes, live in the houses originally built by the coal-mining companies. In such communities, as you can well imagine, there ordinarily is no school lunch program, because there is no community organization nor enough people interested in assisting.

A good teacher, however, can almost perform miracles. And that is just about what Mrs. Mabel W. Hunt, teacher of the Middle Fork School, has done. For 3 years, she has carried on a Type A meal, with milk, almost single handed. This job is all the more outstanding in view of the fact that there is no way to get supplies to the school except on a local train. Mrs. Hunt leaves about 6:30 A. M. on this train and carries with her the food needed for the lunch. She carries the supplies back and forth, not storing any at the little school over night.



The December 1951 report from this school showed that the over-all cost of the meals served was about 26 cents. The average payment the children brought--actual money, that is--was 4 cents. The teacher says that she accepts almost anything the children bring in the way of food. This may be no more than one potato or one can of milk. Most parents have little cash but in some instances they can get credit from the local store. Mrs. Hunt receives 7 cents per meal per day in the form of Federal aid through the National School Lunch Program. The State of West Virginia also contributes \$1.50 a day to pay the cook's wages--the total amount the cook receives, by the way. You can see from this "financial report" that Mrs. Hunt has had to depend very largely on foods donated by the United States Department of Agriculture, supplemented with foods which she purchased with her own money.

Things are looking up for the Middle Fork School now, because the good people of Charleston have taken an interest in Mrs. Hunt's uphill struggle. The credit association of a department store has promised to furnish six quarts of milk daily. A three-compartment sink, purchased by the board of education, will be taken in on a truck specially built for a large chemical firm for fording streams. The same firm has promised to furnish electricity to the school, which will mean building about three miles of line. A furniture store is giving a kitchen cabinet, and a taxicab company will furnish some playground equipment. A loan association has promised \$15 a month cash until the end of the school year, and a farm women's club has pledged \$10 per month. A good lunch for the children up to the end of the year appears to be assured. Commodities donated by the Federal Government on hand at this time are cheese, peanut butter, concentrated orange juice, tomatoes and tomato paste, green beans and peas, cherries, peaches, prunes, apples, and honey.

I just thought you would be interested in a story that has had such a happy ending.

Sincerely yours,

MARTHA BONAR  
State Supervisor  
School Lunch

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#### NO CHANGES IN FLAXSEED STANDARDS

Announcement has been made by USDA that no changes will be made at the present time in the official grain standards of the United States for flaxseed.

Requests made by processors that the maximum limit of moisture permitted in grade No. 1 flaxseed be reduced from 11 to  $9\frac{1}{2}$  percent were considered at an informal hearing held at Minneapolis, Minn., in January, and those who desired were given until February 20, 1952 to submit written views on the matter. After a review of representations at the hearings, communications, and other available information, the Department decided not to amend the official flaxseed standards.

# Orderly Marketing Features 1951-52 Cotton Season

By John H. Dean

Activities of the U. S. Department of Agriculture to facilitate and stabilize distribution of farm commodities often are inconspicuous insofar as their immediate effect is concerned, but their cumulative effect just as often is of major importance in the movement of a specific commodity. A case in point is the marketing of the larger-than-average cotton crop produced in 1951.

Marketing of the cotton crop during the first 7 months of the 1951-52 season--considering the size of the crop, orderliness of movement into consumption and export channels--has been highly successful.

Ginnings of cotton from the 1951 crop totaled 15,050,000 running bales or 52 percent larger than in 1950, and 28 percent above the 1940-49 average. Yet, despite the above-average size of the crop, prices of cotton remained well above the loan level--90 percent of parity. Moreover, the general level of prices received by farmers for their cotton has not fallen below 100 percent of parity.

Several actions taken by the U. S. Department of Agriculture before and during the harvesting of the 1951 crop contributed to the marketing of the 1951 crop. These actions fell into two categories: (1) Efforts to secure the widest possible market outlets for cotton, and (2) steps to encourage cotton producers to spread their marketings over a longer period than usual.

It should be pointed out, by way of background, that the 1950 cotton crop totaled only 9,908,000 running bales, the fourth smallest since 1922. To safeguard domestic supplies, cotton was placed under export allocation to foreign countries in September 1950. Because of uncertainties existing at the time, the initial allocation for export during 1950-51 was limited to 2,000,000 bales--substantially less than the export demand. Later, as the pattern of domestic requirements became more definite, additional quantities were allocated, the full amount for the 1950-51 marketing year totaling about 3,700,000 bales. Actual 1950-51 exports amounted to slightly more than 4,100,000 bales, including exports to Canada, which were not covered by allocations, and quantities shipped prior to establishment of controls.

In the meantime, the Department (in September 1950) had established a 1951 production goal of 16,000,000 bales. Prior to planting time, a vigorous campaign was carried on to encourage producers to reach the goal. This campaign, which had the full cooperation of State agencies,

trade organizations, press, radio, and many other groups, was backed up by Department action to assure the cotton industry the minimum production and processing supplies and facilities required. Even before release of official estimates of acreage in cultivation, it was apparent that the 1951 cotton crop--barring an unseen catastrophe--would be substantially larger than that of 1950.

On June 12, 1951, Secretary of Agriculture Charles F. Brannan made an initial 1951-52 cotton export allocation of 2,500,000 bales. In making this allocation, the Secretary said, "We have no desire to retain in the United States any cotton not genuinely required by our economy. In fact, it will be the policy of the Department to allocate for export all cotton produced in 1951 that is in excess of domestic consumption requirements for the 1951-52 season."

This policy was followed. In July, the initial allocation of 2,500,000 bales was increased to 3,500,000. In August, all restrictions were removed on quantities of cotton that could be shipped under export licenses. In September, controls were further relaxed to permit exporters to ship cotton to friendly countries without obtaining export licenses. It is expected that exports of cotton in the 1951-52 marketing year will total about 6,000,000 bales.

Similar action was taken in the case of certain cotton products. Export restrictions on cotton linters, cotton pulp, and cotton wastes were progressively relaxed and, in the case of cotton waste, all controls on exports to friendly countries were removed.

In August 1951, Secretary Brannan called the attention of the Export-Import Bank to the increased availability of cotton for export. The Bank promptly re-established a cotton-export revolving fund to finance the sale of American cotton abroad, which did much to encourage cotton purchases by foreign users. Cotton loans of the Export-Import Bank totaled, through February 1952, about \$122,000,000, sufficient to cover the purchase of around 500,000 bales.

The Department also requested the Economic Cooperation Administration (now M.S.A.) to expedite the issuance of procurement authorizations during the early part of the harvesting period. The Department of Defense also was requested wherever possible to issue procurement contracts for cotton textiles, during the period when producers were most actively marketing their cotton.

In addition to the efforts to widen market outlets, efforts also were made to "stretch out" the marketing season by encouraging farmers to hold cotton off the market if prices become unduly depressed.

Shortly after harvesting got under way, the Production and Marketing Administration issued two publications: "Facts about the 1950 Cotton Supply Situation and Cotton Loan Program" and "The Cotton Loan Program." These pamphlets emphasized two facts: (1) No farmer needs to sell his cotton at less than the loan level established by the price support program and (2) the loan program--by spreading the marketing of cotton over several months instead of two or three months--encourages orderly



marketing. Information on the loan program, included in these publications and other materials, was given wide dissemination throughout the Cotton Belt.

Through March 13, 1952, producers had put about 944,000 bales under CCC loan, of which they had redeemed approximately 514,000 bales. Considering the size of the 1951 crop, the volume placed in the loan has been small. Nevertheless, the Department's advice to withhold cotton from the market during the peak harvesting season was generally heeded by producers, many of whom--even though they did not apply for CCC loans--were able because of the availability of the loan, to hold much of their cotton, through commercial or private financing, until prices strengthened. There seems to be little doubt that this concerted withholding of cotton from the market by producers was more pronounced than at any other time in the history of the cotton industry.

This holding movement by producers was no doubt largely responsible for the substantial advance in prices during the usual harvesting and marketing period.

On July 6, the average price for Middling 15/16-inch cotton on the 10 spot markets was 44.37 cents per pound. Reflecting prospects of a large 1951 crop, prices declined and reached a low of 34.10 cents per pound on September 5.

It should be noted, however, that the 1951-crop support price for Middling 15/16-inch cotton was 31.71 cents per pound. Therefore, even at the low point on September 5, cotton prices were still 2.39 cents per pound above loan levels. This behavior of prices in the 1951-52 season reveals the fallacy of the saying that "the support price pulls market prices to the support level." Furthermore, considering the general withholding of cotton during the early part of the season, it seems probable that the bulk of the crop was marketed at prices of 37 cents or better.

Prices began to advance in mid-September and had reached almost 39.00 cents per pound even prior to the greatly reduced production estimate issued in November. The high for the season through March 21 was 43.43 cents per pound reached on November 9. The price on March 21, 1952 was 41.43 cents per pound.

In terms of parity, prices received by farmers during the active marketing season also were unusually favorable, considering the size of the crop. Official price reports of the Department of Agriculture show that cotton prices received by farmers represented the following percentages of parity in the months listed:

August	1951	102	percent	of	parity
September	"	100	"	"	"
October	"	107	"	"	"
November	"	120	"	"	"
December	"	118	"	"	"
January	1952	113	"	"	"
February	"	108	"	"	"



Crop Estimates, Ginnings, Reported Spot Sales and Prices on Selected  
Dates for Middling 15/16" in Ten Spot Markets. Season 1951-52

Date	Crop Estimate	Ginnings	Reported Spot Sales:Mid. 15/16		
			(weekly)		10 Mkt. Ave.
			1950-51	1951-52	Friday
	(500-lb. gross- weight bales)		(running bales)		(cents per pound)
July 6	--	--	49,300	31,100	44.37
July 9	--	--	--	--	43.69
July 13	--	--	106,300	40,300	40.82
July 20	--	--	122,300	27,100	37.98
July 27	--	--	192,500	39,900	36.82
Aug. 3	--	--	360,900	46,800	35.20
Aug. 8	17,266,000	--	--	--	34.94
Aug. 10	--	--	354,900	73,600	35.25
Aug. 17	--	--	337,100	120,600	34.96
Aug. 24	--	538,000	189,200	143,800	35.05
Aug. 31	--	--	176,300	199,000	34.32
Sept. 5	--	--	--	--	1/34.10
Sept. 7	--	--	243,100	181,900	34.32
Sept. 10	17,291,000	2,014,000	--	--	34.22
Sept. 14	--	--	263,100	245,300	34.56
Sept. 21	--	3,661,000	327,700	220,600	35.29
Sept. 28	--	--	398,500	302,400	36.32
Oct. 5	--	--	400,100	316,700	36.53
Oct. 8	16,931,000	5,468,000	--	--	36.87
Oct. 12	--	--	258,200	357,100	36.42
Oct. 19	--	--	315,400	412,700	36.63
Oct. 25	--	8,389,000	--	--	37.08
Oct. 26	--	--	375,400	390,500	37.53
Nov. 2	--	--	364,200	458,200	38.94
Nov. 8	15,771,000	10,022,000	--	--	41.45
Nov. 9	--	--	244,300	354,100	2/43.43
Nov. 16	--	--	347,100	400,100	41.67
Nov. 23	--	11,113,000	253,600	266,100	42.02
Nov. 30	--	--	247,000	464,700	43.16
Dec. 7	--	--	179,600	414,200	43.35
Dec. 10	15,290,000	12,803,000	--	--	42.85
Dec. 14	--	--	167,400	289,200	41.49
Dec. 21	--	13,554,000	220,700	202,600	41.78
Dec. 28	--	--	92,100	86,700	41.84
Jan. 4	--	--	136,200	104,600	41.97
Jan. 11	--	--	223,900	225,100	42.40
Jan. 18	--	--	181,300	242,500	41.37
Jan. 25	--	14,508,000	178,900	192,100	41.75
Feb. 1	--	--	Market	145,600	41.93
Feb. 15	--	--	Closed	105,300	39.93
Feb. 22	--	--	1/26/51	73,900	40.25
Feb. 29	--	--	to	87,000	40.22
Mar. 7	--	--	3/8/51	99,000	39.85
Mar. 14	--	--	111,300	103,800	40.70

1/ Low price for the 1951-52 season to March 14, 1952

2/ High price for the 1951-52 season to March 14, 1952

# Defense Notes

OPS Surveys Food Margins.--A nation-wide study of percentage markups used by wholesale and retail grocers during the pre-Korea period, May to June, 1950, has been launched by the Office of Price Stabilization. It is to cover 139 cities and towns in 45 states, representing a cross-section of all types and sizes of communities, and will cover three metropolitan areas--New York, Chicago, and Los Angeles. Purpose of the survey is to compare markups of wholesalers and retailers during the pre-Korean period with those now used in the OPS grocery ceiling price regulations to determine whether any adjustments should be made because of changed merchandising practices. The study is expected to require about 5 weeks.

Farm Machinery Requirements.--A review of 1952 and 1953 requirements for farm machinery and repair parts has been completed by State PMA Committees and results are now being tabulated in Washington. The survey, which covers all agricultural counties of the country and the insular areas, is as comprehensive as that conducted last year. Data developed by the study and other available information will be used by the Department as a basis for supporting its claims to the defense agencies for allotments of controlled materials necessary to assure adequate supplies of farm equipment.

Meanwhile, the National Production Authority has told crawler-type tractor manufacturers that it will seek a larger allotment of controlled materials for their production during the 3rd quarter of this year. NPA said that it would request materials for that period on the basis of an annual crawler-tractor production of 58,000 units as compared with the 2nd quarter 1952 allotment which would permit production of only 34,000 tractors annually.

Outlook for Containers Improving.--Supplies of special food cartons and paper pails will be adequate to meet all demands this year, NPA has been informed by the industry advisory committee representing manufacturers of those products. The group produces paper board containers for packaging butter, shortening, bakery products, ice cream, frozen foods and other similar food items. Pointing out that all 1951 demands for these cartons and pails were met, the industry group said that it expected 1952 requirements for its products to be about the same or slightly under last year. NPA was requested to remove the industry's products from the inventory limitations of NPA Regulation 1.

Early in March, NPA advised can manufacturers that they would receive an extra allotment of secondary tin mill plate of 68,000 tons during the 2nd quarter of this year. NPA's container order, M-25, is to be amended to remove present restrictions on use of such plate by permitting the use of cans made from the material in amounts above can-use quotas provided

for in the order. NPA explained that secondary tin mill products were accumulating because present outlets are inadequate, and by permitting can manufacturers to use the material it would move into useful channels, relieving storage problems, and preventing loss by rusting.

Possibility that controls on polyethylene packaging materials may be lifted by the end of the 3rd quarter of this year has been announced by NPA. The agency warned the Flexible Plastic Container Industry Advisory Committee, however, that this would be possible only if defense requirements for the material did not increase. Committee members reported that the frozen food industry was being satisfactorily supplied with its product at present.

OPS Studying Fruit and Vegetable Prepackaging Costs.--A study of costs and other phases of prepackaging fresh fruits and vegetables was launched by the Office of Price Stabilization at a meeting with the Industry Advisory Committee for the trade late last month. OPS stressed that the information would be necessary to enable it to fully consider costs and practices should it ever become necessary to place price ceilings on prepacked items. Discussion at the meeting covered such matters as sizes and types of packages commonly used, promotional and delivery functions of the trade and included such vegetables as carrots, celery, lettuce and tomatoes, and apples.

Nitrogen Expansion Program Completed by DPA.--The Defense Production Administration recently announced tax assistance authorizations for the construction of new nitrogen production facilities with 425,000 tons annual capacity. This completes the final phase of a program to provide for an annual production of 2,930,000 tons of nitrogen by 1955. It was first urged by PMA in 1950 to meet increasing requirements for nitrogen fertilizer. First effects of the program should be felt next year, when plants approved earlier begin to come into production. Meanwhile, the Morgantown, W. Va., ordnance plant, leased to private operators by the Defense Department at the request of USDA, is expected to hit an annual rate of production of 160,000 tons later this year.

USDA Opposes Rail Freight Rate Increase.--Opposition to the further increases in freight rates sought by the railroads (Ex Parte 175) was expressed by USDA economists and traffic specialists at hearings recently concluded before the Interstate Commerce Commission. Last August ICC granted carriers in Eastern territory (roughly all states east of Indiana and Illinois and north of the Ohio and Potomac Rivers) a 9 percent increase, and carriers in the remainder of the country a 6 percent increase, to be added as a surcharge to the basic freight rate structure. The roads now are seeking an additional increase of 6 percent in Eastern territory and 9 percent elsewhere, to bring about the general 15 percent increase they originally requested. USDA witnesses furnished testimony and exhibits to show that agriculture cannot afford the increase; pointed out the effect it would have on parity and the economic position of farmers; and warned that it would bring about dislocation of farm production and further diversion of agricultural freight to other carriers. On the basis of financial studies, they contended the railroads need increased rates less than they need the savings they could realize through technological improvements, particularly "dieselization."



# Marketing Briefs

(The Production and Marketing Administration announcements summarized below are more completely covered in press releases that may be obtained on request from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C. by citing the code number given at the end of each item.)

Cotton.--A loan rate for 1952-crop Middling 7/8-inch cotton which will average not less than 30.91 cents per pound, as compared with 30.46 cents for the 1951 crop, has been announced. (USDA 397-52)... Farmers are urged to apply early for cotton classification and marketing news service. (USDA 541-52)... To encourage Western Hemisphere production, USDA has announced continuation of the kenaf fiber (jute substitute) purchase program in effect in 1951. (USDA 524-52).

Dairy Products.--Deadline for filing written views and comments on proposed revisions of U.S. standards for butter grades has been extended to May 8, 1952. (USDA 493-52)... In line with the U. S. Supreme Court decision of March 3, 1952, cooperative payment provisions of milk marketing orders for Greater Boston, Cincinnati, and Dayton-Springfield have been terminated. (USDA 521-52)... Because it was not invalidated by the Court decision, similar provision of the New York City order will not be ended. (USDA 519-52)... Minor revisions have been approved for the New York City order. (USDA 409-52)... USDA has approved a milk marketing order for the San Antonio, Tex., area, which still must be approved by two-thirds of the producers there. (USDA 574-52)... A cut in the Class II milk price under the Detroit marketing order became effective March 1, 1952. (USDA 365-52)... Suspension of certain price provisions of the Tri-State (Kentucky-West Virginia-Ohio) milk marketing order has been approved. (USDA 417-52).

Fats and Oils.--Coconut and oilseed oils have been removed from export allocation and placed under general license. (USDA 570-52).

Fruits and Vegetables.--Area "legal minimum" prices for processing vegetables for price ceiling purposes have been redetermined by USDA. (USDA 506-52)... A referendum will be held--probably in April--to determine if pecan growers in Georgia, Alabama, Florida, and Mississippi want to continue the marketing order program for their crop. (USDA 385-52) The Federal Marketing order regulating California-Arizona oranges has been terminated. (USDA 495-52)... A proposed watermelon marketing order for Florida, Georgia and South Carolina has been dropped. (USDA 405-52). USDA, after hearings, has decided that Federal grade and size regulations of the Florida citrus fruit marketing agreement should not be suspended. (USDA 459-52)... U. S. Standards have been proposed for: Currants for processing. (USDA 439-52)... Frozen leafy greens (beet tops, collards, endive, kale, swiss chard, and mustard, turnip and dandelion greens). (USDA 366-52)... Revised standards for concentrated orange juice. (USDA 367-52). Committees have been named for: Georgia peaches. (USDA 527-52)... Colorado peaches. (USDA 528-52)... California deciduous fruits. (USDA 529-52)...



An export payment program for grapefruit, effective March 5, 1952, has been announced. (USDA 461-52)... The 1951-52 fresh apple export payment program was terminated midnight, March 31, 1951. (USDA 509-52).

Grains.--Commercial and Government exports of 1,983,000 long tons of bulk wheat, rye, coarse grains and oilseeds in April and 1,631,000 long tons in May have been programmed. A preliminary program for June of 1,355,000 long tons of the same commodities is planned. (USDA 576-52)... Through January 1952 farmers had placed a total of 284,586,259 bushels of 1951-crop grains and oilseeds under price support. (USDA 464-52)... Price supports for 1952-crop dry edible beans approximately 85 percent of the January 15, 1952 parity prices have been announced. (USDA 357-52).

Poultry and Eggs.--Release of 3½ million pounds of dried whole eggs for donation to eligible U. S. private welfare organizations for relief of needy persons abroad has been announced. The stocks are part of the 9½ million pounds remaining from dried eggs acquired in price support operations in 1950. (USDA 455-52).

Sirup.--USDA has decided not to issue a revision of U. S. standards for grades of table maple sirup and maple sirup for reprocessing as proposed in April, 1951. It was decided that further work with the industry in the various producing areas is advisable. (USDA 572-52).

Tobacco.--A program for support of prices of 1951-crop Puerto-Rican (type 46) tobacco has been announced. (USDA 469-52)... A 1952-crop price support loan program for specified types of tobacco grown in the United States and Puerto Rico, setting minimum support levels, has been announced. (USDA 523-52).

Wool.--A price support program on shorn wool in 1952, operating through loans rather than through purchases, as has been the case in recent years, has been announced. The program will provide an average level of support at 90 percent of parity. (USDA 377-52)... Discontinuance of sales of partial sets of wool standards and increased charges for full sets of wool and wool top standards has been proposed. (USDA 361-52).

Research.--Several RMA Advisory committees--national groups representing producers, processors, and marketers--met with USDA groups during late February and March to make recommendations for research work. A short summary of recommendations follows: Further information can be obtained from the press releases noted at the end of each summary:

Livestock: Research to improve forage was recommended for top priority. Other research recommendations covered not only production, but utilization and marketing problems as well. (USDA 458-52)... Grain: Increased production research should receive priority, according to this committee. (USDA 504-52)... Oilseeds and Peanuts: This committee, meeting in Peoria, Ill., questioned the value of consumer preference studies, but urged that other phases of research be continued. (USDA 566-52)... Dry Beans and Peas: Industrial and food uses of these products were said to be a primary problem by this Committee. It urged emphasis on food consumption education to encourage use of dry beans and peas. (USDA 565-52).

The following addresses and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Addresses:

Government and Agriculture, summary of remarks of Administrator Gus F. Geissler at Minneapolis Farm Forum, Minneapolis, Minn., March 11, 1952.

Cotton in the Defense Effort, summary of remarks of F. Marion Rhodes, Director, Office of Requirements and Allocations, PMA, at annual meeting of the Texas Cotton Association, Galveston, Tex., March 21, 1952.

The Production Job in 1952, summary of remarks of F. Marion Rhodes, Director, Office of Requirements and Allocations, PMA, at State-wide Conference of the Mississippi REA, Jackson, Miss., February 22, 1952.

Publications:

Consumer Fruit and Juice Purchases, October-December, 1951. 61 pp. (BAE and PMA) (Processed) March 1952.

1952 Production Goals Program. Summer and Fall Vegetables for Fresh Market, Summer Melons, Vegetables for Commercial Processing. (USDA) (Processed) January 1952.

Historical Development of the New York City Live Poultry Market and Present Operation of the Live Poultry Terminal. A.E. 784. December 1951. (PMA) (Processed)

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